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SUBJECT: PCA: SECRETARY GENERAL REAPPOINTED AFTER
FRENCH-DOMINATED ADMINISTRATIVE COUNCIL MEETING

REF: A. STATE 84654

[1](#)B. STATE 105267

[1](#)1. (SBU) Summary: In a meeting dominated by the French Ambassador's nine interventions on budgetary and linguistic matters, the Permanent Court of Arbitration (PCA) Administrative Council approved the reappointment of Secretary General Tjaco van den Hout to a second five-year

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term. The reappointment itself followed round praise by a number of delegations, without a voice of dissent. The French indicated that they expect to make various proposals for consideration by a future Administration Council meeting, dealing in particular with its demand that the PCA hire French-speaking staff. End summary.

[1](#)2. (SBU) The Administrative Council of the PCA met on May 17 to consider its budgetary, financial and annual reports. Two other items were on the agenda: a proposed mechanism to deal with Member States which have failed to provide assessed contributions more than two years running, and the reappointment of the Secretary General (SG). The former item was deferred to the next PCA regular meeting, likely to take place in the fall.

[1](#)3. (SBU) Before reaching the SG's reappointment, the Council spent approximately two hours reviewing what many delegations considered to be a routine set of reports demonstrating (1) the PCA's performance under the current budget and (2) its level of activities over the past year. Nonetheless, French Ambassador Anne Gazeau-Secret intervened a remarkable nine times on two specific issues. First, she focused on the PCA's continuing budgetary difficulties, remarking that she could not understand how the PCA could be in a "precarious situation" even after last year's budget changes. She made this point under a number of headings and was supported, to some extent, by Spain and Switzerland, and to a lesser extent Brazil. The SG responded that he was "taken aback" by the French position, noting that the current budget was not expected to resolve the perennial budgetary problems the PCA faces. The Swiss representative focused on what she called "transparency" in the PCA's budgeting process, and the French -- following South Africa's note of support for the SG's budget report -- then reviewed what she considered items that were "difficult to understand" in the current budget. USDEL deployed the instructions in para 4 of ref A but also noted that we had no objection to the budget report. Following the SG's response to the French explaining the budget, the report was adopted by consensus.

[1](#)4. (SBU) The SG introduced the financial report by noting that staff cuts occurred over the past year and that further vacancies are not expected to be filled because of the financial strains on the PCA. He also has instituted a travel ban for staff in order to cut costs. The financial report was ultimately adopted, and then Gazeau-Secret launched into what appeared to be her delegation's main problem -- the lack of French-speaking staff. She urged the PCA to be transparent in identifying staff and its "linguistic composition," including by identifying the nationality of each of the staff. She said she would prepare a proposal for the next meeting, which the SG welcomed while at the same time explaining how the PCA's inability to hire has precluded it from replacing the Francophone staffers who left recently. He also reminded the Council that the PCA maintains an extremely "tiny" staff compared to other organizations. The French nonetheless returned to this theme a number of times during her remaining interventions.

[1](#)5. (SBU) Other delegations -- Switzerland, Spain, Cuba, Italy, Canada and Senegal -- echoed the linguistic message of France, while some couched it in terms of geographic representation. The SG had two ready responses. First, he expressed a desire to maintain at least one Francophone lawyer on staff, suggesting that he would recruit on a preferential basis to achieve this goal. Second, he made a spirited case for the PCA's global efforts to attract cases and raise its profile. He noted the foundation of regional arbitral facilities in Costa Rica and South Africa, and suggested that additional facilities are being considered for

Central/Eastern Europe, Lebanon and Malaysia. Like the other reports, the annual report was finally adopted by consensus.

16. (SBU) The final agenda item concerned van den Hout's reappointment. It was widely known that the French in The Hague were seeking to undermine van den Hout's position (ref B). As it happened, the French did not muster any argument against his reappointment, seeking only to see whether the appointment could be deferred until a time when all EU ambassadors -- some of whom had left the meeting by this point -- were in the room. (This was rejected by the chair.) Thus, all reps who spoke up under this heading -- Jordan, Costa Rica, Hungary, South Africa, Pakistan, Slovak Republic, Egypt, Lebanon, and USDEL -- spoke in favor of his reappointment. Van den Hout thanked USDEL privately for its work on behalf of his reappointment. He expressed his particular thanks to Ambassador Sobel, who had raised with Foreign Minister Bot last week the strong U.S. support for van den Hout.

17. (SBU) Comment: Going into the Council meeting, it was not clear that van den Hout's reappointment would go smoothly. As it turns out, the persistent and often sloppy critique by the French did not undermine van den Hout's reputation nor his position. In some respects, the French interventions gave van den Hout repeated opportunities to tout the achievements of the PCA over the past year and to remind the Council that his original budget proposals last year -- which were too much for the diplomatic and budget traffic to bear -- would have gone much further in resolving the PCA's financial problems. Embassy now anticipates that the French will make proposals on "linguistic" or "geographic" representation which the Council will consider by this fall. Without the leverage over van den Hout's position, however, it may be more difficult for the French to get the sympathy of other delegations and the PCA. End comment.
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